

Questions for the Record for Ambassador Robert E. Lighthizer
U.S. House Ways and Means Committee
Hearing on U.S.-China Trade
February 27, 2019

From Representative Linda Sánchez to Ambassador Robert E. Lighthizer

1. I'm also concerned that domestic headquartered companies who have outsourced their manufacturing are continuing to benefit from unfairly subsidized Chinese steel and aluminum. Companies can still use raw materials like steel and aluminum from China in their foreign operations, which puts purely domestic companies, many of them unionized, at a competitive disadvantage.

The last thing our trade policies should do is hurt good paying American jobs and US manufacturing facilities. To me, this disadvantage seems thrust upon companies who have invested in American manufacturing only.

Answer: I appreciate and share your concern. Addressing China's pervasive subsidization of its domestic industries is a key objective of our ongoing bilateral negotiations. These and other market distorting practices have caused unfair competitive disadvantages for U.S. manufacturers and workers for decades. This Administration is determined to take action to address the issue.

2. Finally, I want to make sure USTR continues to focus on the impact administration policies have on American workers. For years, I focused on transshipment issues championing the ENFORCE Act. Now I'm becoming increasingly concerned with code misclassification for goods entering the United States as a way to avoid tariffs. Are you working with Customs to address this form of evasion?

Answer: As you are aware, evasion is a serious issue that enforcement agencies have to deal with every day in combatting efforts that seek to undermine the effectiveness of the tariffs or duties in place resulting from a specific remedy. USTR will continue to work closely with multiple U.S. government agencies to address issues that have a meaningful impact on trade, including misclassification and other forms of evasion, to ensure that importers pay the tariffs or duties that are rightly owed to the United States.